REMARKS

Claims 1-30 are pending.

The Examiner has rejected claims 1, 3, 15, 21, 25, 28, and 29 under 35 USC 102(e) as being anticipated by Merel. The rejection is respectfully traversed. Merel discloses:

"As discussed below, the bidding ends when the rankings of the preferences of the society's various auctions have not changed for three successive bidding rounds during end of term bidding. Then, a new term is declared, with the leading preferences of the various auctions of the prior term having effect in the new term." [col. 10 lines 2-8]

where the preferences are each "representing a result." Merel does not teach or imply "determining participation of bidders from the first set of bidders in the second auction round" as in claim 1, 3 or 25, "determining that a bidder may participate in a second auction round if that bidder has not been awarded a contract in a first auction round" as in claim 15; "determining that a bidder may participate in a second auction round if the bidder is a leading bidder in a first auction round" as in claim 21; and "limiting participation of bidders in a second auction round based on the occurrence in the first auction round" as in claim 28 or 29. Determining how bidders are handled in a second round based on an occurrence in the first round is distinct from carrying preferences that represent a result from a first round to a second round. Claim 2, 4-14, 16-20, 22-24, 26-27, and 30 depends from claim 1, 3, 15, 21, 25, and 29, respectively, and are believed to be allowable for the same reasons described above.

The foregoing amendments are not to be taken as an admission of unpatentability of any of the claims prior to the amendments.

Reconsideration of the application and allowance of all claims are respectfully requested based on the preceding remarks. If at any time the Examiner believes that an interview would be helpful, please contact the undersigned.

Respectfully submitted,

Dated: 19 4 2007

Terrence L. Wong Registration No. 55,741

V 408-973-2578 F 408-973-2595

VAN PELT, YI & JAMES LLP 10050 N. Foothill Blvd., Suite 200 Cupertino, CA 95014